

COMPETITIVE SOURCING/A-76 NEWSLETTER

APRIL 2001

GENERAL ACCOUNTING OFFICE (GAO) REPORT

A recent GAO (www.gao.gov) report, GAO-01-20, "DOD Competitive Sourcing – Results of A-76 Studies Over The Past 5 Years," dated December 2000, stated that of the 286 studies reported by DOD for the period of 1995-2000, 138 were cost comparisons and 148 were direct conversions either to or from in-house. Of the 138 cost comparisons, 40 percent went contract. However, of the 148 direct conversions, all but 14 were converted to contract. The GAO found that in FY 99 the results of 53 studies were excluded from the DOD report due to the incomplete data at the time the report was prepared. When the GAO reviewed the current information on these 53 cost comparisons, it found that the percentage of studies resulting in contract performance only increased to 41 percent.

Limitations on the baseline cost data used to calculate savings, study costs, and other factors used in the studies made it difficult to estimate savings. According to GAO, the DOD report showed that over the five-year period 40 percent of the cost comparisons resulted in conversion to contract. However, in FY 99 only about 23 percent of the cost comparisons resulted in conversion to contract with the majority at Air Force units. This is significantly lower than in previous years when contractors won the majority of the competitions.

GAO, in previous reports, identified the inaccuracies of data in the Commercial Activities Management Information System (CAMIS). In 1996, the Center for Naval Analysis (CNA) found that CAMIS data was inconsistent among the service components and recommended DOD provide stringent data collection procedures to ensure consistency. DOD is refining the process for reporting cost comparison information. All field units need to become familiar with the data required for CAMIS reporting and should make every effort to ensure that the data provided is accurate. An updated CAMIS program should be available by the end of 2001.

CONTRACT ESTIMATING MODEL

The Competitive Sourcing/A-76 Help Desk has developed an automated cost estimating system for service contract requirements. Since service contract requirements are highly labor intensive, the cost estimating system lists all labor categories in a Civil Engineer Squadron. Simply choose the labor category you want to price, insert the number of personnel, and the hours they will work. The estimating system will compute the results. The model also has sections for pricing material, travel, and other similar cost. The Cost Estimating Model is located on the Competitive Sourcing page of the AFCESA web site at www.afcesa.af.mil. We hope it helps you.

FAR PART 12 SERVICE CONTRACTS

To assist units in finding sample statements of work or requests for proposals, the Competitive Sourcing/A-76 Help Desk is updating Federal Acquisition Regulation (FAR) Part 12 information on the web site. Included will be a listing of all known FAR 12 service contracts by location. To get the names and phone numbers of base-level points of contact for both CE and contracting, call the Competitive Sourcing/A-76 Help Desk at DSN 523-4970.

ASSISTANCE:

For help in planning your A-76, direct conversion, or reengineering effort, call the Competitive Sourcing/A-76 Help Desk at DSN 523-4970 or e-mail us at A-76Desk@tynfl.TRW.com. Our Help Desk consists of three full-time professionals with extensive experience in the competitive sourcing and A-76 processes: an engineer, a contracting specialist, and a manpower expert. They operate from HQ AFCESA to provide support services including, but not limited to, the following:

- Answering competitive sourcing/A-76/reengineering related questions;
- Providing technical advice to A-76 CE steering committee members;
- Assisting in developing acquisition strategies;
- Providing guidance on new acquisition procedures;
- Reviewing statements of work, quality assurance plans, and management plans; and
- Maintaining a repository of lessons learned from CE activities.